

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION
ANSWERS OF WITNESS MEREWITZ TO INTERROGATORIES
OF ALLIANCE OF NONPROFIT MAILERS (ANM)

February 11, 1998

Florida Gift Fruit Shippers Association (FGFSA) hereby provides the
Answers of Witness Merewitz to interrogatories of Alliance of Nonprofit Mailers:
ANM/FGFSA-T1-1-11

Each interrogatory is stated verbatim, followed by the Answer.



M. W. Wells, Jr., Attorney for
Florida Gift Fruit Shippers Association

ANM/FGFSA-T1-1

Please refer to your testimony at p. 3, line 12. Explain the term "Inter-B" as used there.

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-2

Please refer to your testimony at p. 5, line 11. Please explain the meaning of the sentence "When those pieces are converted to pounds . . ."

Answer:

The sentence means that average weight per piece for the years 1991 and 1996 are applied to the number of pieces. The average figure come from parcel post date for 1991 Billing Determinants and 1996 Billing Determinants.

ANM/FGFSA-T1-3

Please refer to your testimony at p. 13. What does the "***" signify?

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-4

- (a) please refer to your Exhibit LAM4a. How are the data in LAM-4a generated?
- (b) Are these Postal Service data or your data? If you or someone working under your direction generated these data, please explain all assumptions that were made to generate those data.

Answer:

The data in LAM-4a are generated in the SAS program y96a12. This uses the preferred case of the four cases of y96a11. Therein four cases were considered based on two assumptions. One involves whether expansion to the size of truck was allowed and the second was whether postal service FACCAT weighting was used. The run we prefer involves no expansion to size of truck, but allows postal service FACCAT weighting. LAM-4a is merely illustrative because I do not recommend a distribution key in my testimony.

ANM/FGFSA-T1-5

Please refer to p. 15, line 9.

(a) What does the (^^) signify?

(b) Complete the sentence on line 10 following the word "be".

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-6

Please refer to p. 23, line 17. What does the "(^^)" signify?

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-7

Please refer to p. 24, line 2 and explain or define the term (y96812) as it appears there.

Answer:

Y96812 is a misprint as correct by the errata. The "8" is in fact "a". This refers to a series of SAS runs denominated y96a 1 through 12. TRACS methodology is used with TRACS data from the highway portion of L.R. H-84. In particular, y96a11 was run where we had four cases depending on whether we follow the TRACS methodology for a)expanding for the emptiness of the truck, and b) the weighting according to FACCAT multipliers. One of the four cases exactly replicated the Postal Service results given in L.R. H-82.

ANM/FGFSA-T1-8

Please refer to p. 25, line 2. What does the "[^^]" signify?

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-9

Please refer to p. 25, lines 10-11, and provide a summary of all data which show DBMC mail on incoming runs.

Answer:

Please see the SAS run y96a14 which is a very slight refinement of run y96a11 which breaks out the LL mail code specifically. There we see the DBMC tallies were taken on in-bound runs, which is a logical contradiction. Destination BMC parcels are by definition delivered to the destination BMC by the mailer, and therefore would not require in-bound postal transportation to the BMC. See FGFSA Lib.Ref. H-2 and H-3. The percent of LL mail in each quarter of the Base Year are:

Quarter	Per cent
1	3.69
2	1.19
3	1.29
4	1.61

Please see attachment.

Y96A14

PQ196 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
Intra-BMC

ACCOUNT=53127 BOUND=.

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	88,278,818	8.37	5729557767	6.33	2,654,809
2nd Cl Period	124,891,547	11.84	9613303074	10.62	4,654,874
International	11,133,400	1.06	1308141550	1.44	766,851
PRI	67,564,941	6.40	4212865122	4.65	2,021,847
STD A	328,939,249	31.18	29704769386	32.80	13,500,225
STD B - Other	147,624,723	13.99	13418055092	14.82	6,198,784
STD B: KK	235,128	0.02	14,644,193	0.02	6,004
STD B: LL	82,969,140	7.86	6379178098	7.04	4,060,155
STD B: P	203,416,823	19.28	20181431027	22.28	9,768,831

ACCOUNT=53127 BOUND=1

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	20,672,835	4.31	2321363118	4.69	1,047,640
2nd Cl Period	45,310,222	9.45	3733287254	7.54	2,645,846
International	9,292,548	1.94	1200371574	2.42	743,050
PRI	28,587,189	5.96	2440343404	4.93	1,324,802
STD A	145,520,772	30.36	14800696665	29.87	7,648,366
STD B - Other	82,645,801	17.24	8261593354	16.67	3,650,395
STD B: LL	9,360,910	1.95	1827230845	3.69	190,978
STD B: P	137,931,117	28.78	14960043127	30.19	6,578,359

ACCOUNT=53127 BOUND=2

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	67,605,983	11.74	3408194649	8.31	1,607,169
2nd Cl Period	79,581,325	13.82	5880015821	14.34	2,009,028
International	1,840,852	0.32	107,769,975	0.26	23,801
PRI	38,977,752	6.77	1772521718	4.32	697,044
STD A	183,418,478	31.86	14904072720	36.34	5,851,859
STD B - Other	64,978,922	11.29	5156461738	12.57	2,548,389

STD B: KK 235,128 0.04 14,644,193 0.04 6,004
 STD B: LL 73,608,229 12.79 4551947252 11.10 3,869,177
 STD B: P 65,485,706 11.37 5221387900 12.73 3,190,472
 PQ196 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
 Inter-BMC

ACCOUNT=53131

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	44,123,204	10.91	15484843174	10.78	6,172,798
2nd Cl Period	81,834,057	20.24	31257757763	21.77	12,363,136
International	2,487,590	0.62	1490888317	1.04	586,562
PRI	17,898,802	4.43	4702268166	3.28	1,990,627
STD A	117,152,259	28.98	42769279675	29.80	16,872,683
STD B - Other	38,954,485	9.64	14076023582	9.80	5,573,028
STD B: KK	160,092	0.04	89,475,665	0.06	35,164
STD B: LL	9,570,149	2.37	2354271304	1.64	918,636
STD B: P	92,115,388	22.78	31335819784	21.82	12,346,868

PQ296 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
 Intra-BMC

ACCOUNT=53127 BOUND=.

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	158,075,574	14.66	12170408971	11.78	5,024,565
2nd Cl Period	104,794,624	9.72	8158829071	7.90	4,323,791
International	7,226,067	0.67	359,701,528	0.35	169,757
PRI	77,175,679	7.16	7356662325	7.12	2,854,217
STD A	287,632,518	26.68	26763563774	25.90	12,129,784
STD B - Other	145,086,120	13.46	16303965181	15.78	6,491,671
STD B: KK	739,461	0.07	24,524,708	0.02	1,932
STD B: LL	62,141,400	5.76	7793588988	7.54	2,459,270
STD B: P	235,172,598	21.81	24404008810	23.62	10,609,849

ACCOUNT=53127 BOUND=1

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	48,751,999	10.26	4416717034	8.69	1,673,000
2nd Cl Period	32,610,180	6.86	3044493332	5.99	1,806,872
International	5,103,725	1.07	240,439,561	0.47	116,676
PRI	31,897,998	6.71	4923375952	9.69	1,730,344
STD A	138,512,049	29.14	13235046928	26.05	6,812,165
STD B - Other	64,469,322	13.56	8035284859	15.82	3,521,726
STD B: LL	2,980,304	0.63	603,959,525	1.19	192,407
STD B: P	151,059,278	31.78	16297752863	32.08	7,690,800

ACCOUNT=53127 BOUND=2

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	109,323,576	18.14	7753691936	14.76	3,351,566

P. 3 of 5

Attachment

2nd Cl Period	72,184,443	11.98	5114335739	9.73	2,516,920
International	2,122,343	0.35	119,261,967	0.23	53,081
PRI	45,277,601	7.21	219,324,7100	0.00	1,932
STD B: LL	59,161,096	9.82	7189629463	13.68	2,266,863
STD B: P	84,113,320	13.96	8106255947	15.43	2,919,049

PQ296 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
Inter-BMC

ACCOUNT=53131

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	46,653,570	12.70	13846373020	9.73	5,570,718
2nd Cl Period	80,880,902	22.02	30268342063	21.28	12,231,756
International	3,594,831	0.98	1481418730	1.04	584,356
PRI	3,913,647	1.07	1352583569	0.95	543,263
STD A	107,203,006	29.19	44760050053	31.47	18,026,765
STD B - Other	38,812,574	10.57	16576125728	11.65	6,631,726
STD B: KK	254,500	0.07	129,625,393	0.09	52,109
STD B: LL	3,987,299	1.09	1252277656	0.88	503,043
STD B: P	81,998,645	22.32	32583168005	22.91	12,996,491

PQ396 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
Intra-BMC

ACCOUNT=53127 BOUND=.

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	200,185,973	16.22	23081485454	15.73	9,255,931
2nd Cl Period	127,996,043	10.37	14576209232	9.93	5,515,732
International	8,497,872	0.69	733,841,747	0.50	282,263
PRI	61,323,674	4.97	6333739331	4.32	2,736,899
STD A	380,539,334	30.84	46928475704	31.97	21,141,370
STD B - Other	150,069,556	12.16	16617253188	11.32	6,342,247
STD B: KK	647,262	0.05	86,588,396	0.06	35,431
STD B: LL	80,261,151	6.50	9884223397	6.73	3,614,228
STD B: P	224,336,436	18.18	28524923792	19.44	12,887,678

ACCOUNT=53127 BOUND=1

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	92,922,439	18.00	13895703592	22.30	5,519,690
2nd Cl Period	49,179,203	9.53	5066051011	8.13	1,877,207
International	6,038,150	1.17	636,681,679	1.02	229,042
PRI	15,433,095	2.99	2691949704	4.32	1,261,975
STD A	145,849,125	28.26	16808113868	26.97	7,126,464
STD B - Other	68,777,468	13.32	7901110873	12.68	2,852,563
STD B: KK	558,958	0.11	65,398,057	0.10	26,813
STD B: LL	10,131,862	1.96	802,521,727	1.29	347,094
STD B: P	127,277,823	24.66	14457776293	23.20	6,811,193

ACCOUNT=53127 BOUND=2

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	107,263,534	14.95	9185781862	10.88	3,736,241
2nd Cl Period	78,816,840	10.98	9510158221	11.26	3,638,525
International	2,459,722	0.34	97,160,068	0.12	53,221
PRI	45,890,579	6.39	3641789628	4.31	1,474,924
STD A	234,690,210	32.70	30120361835	35.67	14,014,906
STD B - Other	81,292,087	11.33	8716142315	10.32	3,489,684
STD B: KK	88,304	0.01	21,190,339	0.03	8,618
STD B: LL	70,129,289	9.77	9081701670	10.76	3,267,134
STD B: P	97,058,613	13.52	14067147499	16.66	6,076,486
PQ396 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)					
Inter-BMC					

ACCOUNT=53131

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	76,510,853	17.45	22455490444	14.81	8,915,491
2nd Cl Period	87,079,950	19.86	30949152535	20.41	12,106,750
International	2,759,686	0.63	1069983191	0.71	415,218
PRI	13,427,428	3.06	2130122745	1.40	845,761
STD A	126,775,711	28.91	47400188193	31.25	18,544,129
STD B - Other	54,136,977	12.35	18439071337	12.16	7,212,158
STD B: KK	696,132	0.16	273,035,374	0.18	106,757
STD B: LL	7,857,498	1.79	2167360528	1.43	849,379
STD B: P	69,261,469	15.79	26785185940	17.66	10,468,737
PQ496 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)					
Intra-BMC					

ACCOUNT=53127 BOUND=.

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	228,145,303	17.73	15893784288	13.23	6,674,465
2nd Cl Period	147,604,149	11.47	12170093949	10.13	5,387,968
International	4,714,949	0.37	415,945,438	0.35	202,339
PRI	76,709,871	5.96	5870606904	4.89	2,421,315
STD A	329,741,850	25.62	35290490815	29.37	14,615,200
STD B - Other	165,936,836	12.89	17280980183	14.38	7,999,721
STD B: KK	1,632,598	0.13	27,247,575	0.02	8,964
STD B: LL	97,095,245	7.54	9866343596	8.21	5,060,797
STD B: P	235,413,737	18.29	23338632334	19.42	10,040,676

ACCOUNT=53127 BOUND=1

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	100,874,507	17.51	5806280499	11.88	2,411,407
2nd Cl Period	48,704,981	8.45	3028212424	6.19	1,176,646
International	2,784,802	0.48	203,984,831	0.42	96,078
PRI	16,263,847	2.82	1436461861	2.94	546,615
STD A	140,091,574	24.32	11498454046	23.52	4,687,564

STD B - Other	97,891,202	16.99	9416421447	19.26	3,994,554
STD B: KK	839,579	0.15	19,361,783	0.04	6,479
STD B: LL	9,649,860	1.67	788,797,963	1.61	323,458
STD B: P	159,048,434	27.61	16685969183	34.13	6,850,706

ACCOUNT=53127 BOUND=2

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	127,270,796	17.90	10087503790	14.15	4,263,058
2nd Cl Period	98,899,168	13.91	9141881525	12.83	4,211,322
International	1,930,147	0.27	211,960,607	0.30	106,262
PRI	60,446,024	8.50	4434145043	6.22	1,874,700
STD A	189,650,276	26.68	23792036769	33.38	9,927,636
STD B - Other	68,045,634	9.57	7864558736	11.03	4,005,167
STD B: KK	793,019	0.11	7,885,792	0.01	2,486
STD B: LL	87,445,385	12.30	9077545633	12.74	4,737,339
STD B: P	76,365,303	10.74	6652663151	9.33	3,189,970

PQ496 Distribution Keys Using USPS Estimates (Weighted) for 7 Mail Types (Y96A14)
Inter-BMC

ACCOUNT=53131

MAILCODE	CuFt	Percent CuFt	CFM	Percent CFM	Cost
1st Class	46,767,993	11.35	11804511502	7.82	4,780,606
2nd Cl Period	81,093,558	19.68	27500403034	18.21	10,881,324
International	4,049,914	0.98	1264393611	0.84	497,138
PRI	11,598,070	2.81	2278952524	1.51	932,834
STD A	136,138,797	33.04	56720452873	37.56	22,529,272
STD B - Other	52,479,171	12.74	21716844032	14.38	8,551,703
STD B: KK	137,004	0.03	90,455,225	0.06	35,911
STD B: LL	15,871,843	3.85	4325207039	2.86	1,689,155
STD B: P	63,875,009	15.50	25298068042	16.75	10,037,073

ANM/FGFSA-T1-10

Please refer to p. 25, line 15. What does "****" mean?

Answer:

See errata filed January 26, 1998.

ANM/FGFSA-T1-11

At page 27 of your testimony you state that your exercise "follows the TRACS methodology except for three items." Please identify the three items.

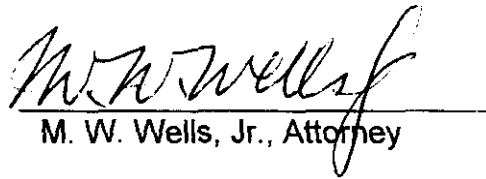
Answer:

- a. An error in PERCONT was corrected. PERCONT is a variable equal to the percent of the container containing items of the same item type (L.R. PCR.17, Pt.3) mail code in question. An "item" is a term of art in IOCS and TRACS terminology. It contains mail but does not have wheels. It could be a sack, a tray, half-tray or parcel.
- b. FACCAT weighting was used and was alternatively used and not used.
- c. TRACS expands to the size of the truck in the course of several "expansions". This expansion is the key element which is equivalent to costing each leg. I believe it is theoretically incorrect to follow this procedure so I retain cubic feet unloaded only, without expansion to the size of the truck.. Expansion to the size of the rigid container, while objectionable, is less objectionable.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding on this date in accordance with Section 12 of the Rules of Practice and Procedure.

Dated : February 11, 1998


M. W. Wells, Jr., Attorney